

The right thing to do: the Small Business Program

by Gay Monteverde, freelance writer from Portland, Ore.

With the passage of the Small Business Act in 1953, Congress officially recognized the importance of small businesses to the national economy. The Act states that small businesses will be given a fair proportion of federal government procurement dollars. To that end, federal agencies have committed to ensuring that small businesses receive a prescribed share of the federal contracts available to the private sector.

In Portland District, the task of running the Small Business Program belongs to René Baron, deputy for small business, Contracting Division. Baron came to the District in 1979, but has been in her current position for the past five years. She believes in what she does, and welcomes the opportunity to promote the goals of the program—whether to Corps employees, the general public, or the small businesses that her program is designed to support.

"The contributions of small businesses enhance the global competitiveness of the nation and contribute directly to the quality of life and the standard of living of all Americans," she points out. "Congress has recognized this with several programs to encourage and develop the actual and potential capacity of small business, using the \$179 billion the government expends annually in its procurement program."

What is a "small business"?

Within the Small Business Program, there are four designated categories targeted for special attention: small businesses, small disadvantaged businesses, women-owned businesses, and a new category, HUB zones.

The definition of "small business"

varies. For example, architect/engineers can make \$4 million a year but still be considered a small business; for other industries, the dollar amount is much less. The size of some industries is measured by the number of employees they have. The Corps has set a goal of 38.3 percent of all contracting dollars to go to small business. For Portland District, that means contracting out 38.3 percent of about \$100 million each year.

A "woman-owned business" is one in which 51 percent of the business is woman-owned and -operated. Five percent of total contracting dollars go to women-owned small businesses. For Portland District, this goal has been a challenge. According to Baron, the Pacific Northwest does not have many women-owned construction firms or businesses that produce the kind of products that Portland District buys.

The third target group is "small disadvantaged businesses"—that is, those owned by minorities (African American, Hispanic, Native American, etc.). The Corps targets these businesses for 10.5 percent of all contracting dollars.

A fourth target group was developed recently: Historically Underutilized Businesses, or HUB zones. An area where the average income is very low or unemployment is very high is considered to be a HUB zone. The intent is to encourage businesses to locate in these areas, or to encourage the growth and expansion of businesses already located there. A business must not only be located in the HUB zone, it must also have 35 percent of its employees living in a HUB zone. The initial goal is to designate 1.5 percent of contracting dollars to HUB zone firms. According to Baron, Corps contracting dollars for this target group are modest, but when combined with contracting dollars from

DID YOU KNOW THAT

- ...the majority of businesses in the U.S. are small businesses?
- ...small business hires more than half of the working population?
- ...50 percent of the Gross Domestic Product is generated by small businesses?
- ...small businesses invented the airplane, the tape recorder, the zipper, double-knit fabrics, fiber optics, heart valves, pacemakers, personal computers and soft contact lenses?

other federal agencies, the impact could be dramatic.

In addition to these four main categories, there are special programs like that for 8(a) businesses—so called because they are addressed in Section 8(a) of the Small Business Act. A disadvantaged firm is certified by the Small Business Administration as an 8(a) firm, allowing federal agencies to contract directly with the firm without competition. Baron points out that sometimes District staff are very happy to learn about 8(a) firms because they don't have to go through the competitive process to hire them and that can save time and money.

Reaching out

One part of Baron's job is to convince small businesses that they want to work with the federal government. She admits this is sometimes a daunting task. The federal government is often seen as a huge and unwelcoming bureaucracy. Baron coaches companies through the necessary paperwork and assorted hoops, letting them know about upcoming jobs and making the experience easier for all concerned.

Where does Baron find these small businesses? She belongs to the Minority Business Opportunity Committee

where she meets with representatives from other federal agencies and large businesses who have the same goals. She works with groups such as the Society of American Military Engineers and the Hispanic American Chamber of Commerce.

Baron also participates in procurement fairs. For example, every other year in October there is a major procurement fair in Portland which coincides with National Minority Business Week. Federal agencies, municipalities and large businesses participate.

Each district and division throughout the Corps has an equivalent to Baron on staff, and she works collaboratively with those deputies as well, especially Seattle and Walla Walla districts.

In-house commitment

Baron also spends time convincing Corps staff that it's a good thing to go to small businesses. "Sometimes there is a little resistance," she admits. "People

think of a small disadvantaged business as one that doesn't have a lot of experience or depth, when that is really not the case. The irony is that when I can convince them to go with a firm, they rave about how fabulous the firm actually is after working with them.

"It is important that everybody know why we do this," she adds. "It's not because we have a goal, but because it is the right thing to do. People think they're doing their job when they get the job done in the shortest amount of time for the least money. Sometimes doing business with a small firm which hasn't worked with the federal government before takes effort. But when you think in terms of what is good for the entire country, this program impacts a bigger bottom line."

Baron offers two examples of successful collaborations with small business. "Colville Tribal Services is a Native American firm that has done work for us, replacing the Columbia River treaty

fishing access sites," she says. "Colville has done such an outstanding job that it won't be hard to convince anybody to go to them in the future.

"Ebony Ironworks is one of our 8(a) firms," she adds. "They do metal fabrication on the big trash racks. At first it was hard to make people see that there was a small disadvantaged business that could do the job, but now they rave about the work that Ebony Ironworks does for us."

Chief of Engineers Lt. Gen. Joe N. Ballard is firmly behind the program, according to Baron. In fact, three years ago, Ballard implemented a national small business conference which is held in December in Washington, D.C. Every district sends their commander, the deputy for small business, and the chief of contracting. Small businesses are invited from all over the country so they can market directly to every district in one room at one time.

Baron admits, "I'm very grateful that Lt. Gen. Ballard has picked this as one of his emphasis areas."

Baron is also pleased District staff are supportive. "For example, Planning, Programs and Project Management staff are considering it part of their job to make sure that we've met our District goals. And Col. Butler is also very supportive and very interested.

"My job is to make sure the District meets their goals," Baron explains. "I'm available, regardless of whether its in the Willamette Valley or downstairs in this building." She adds, "I want District staff to know the value of the program and what it really means to the country. I want them to know that by supporting the small business program, they're doing the right thing."



As deputy for small business Rene Baron (at left) often discusses program goals with other District team members, including Gay Hettenhouser, deputy chief, Contracting Division.

Portland District photo